

BARRICK**BARRICK RESOURCES (USA), INC.**DOGM
MINERALS PROGRAM
FILE COPY

July 23, 1990

Mr. Lowell P. Braxton
Division of Oil, Gas and Mining
Department of Natural Resources
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Dear Mr. Braxton:

Subject: M/045/017/88(1) Tooele County, Utah

Barrick is in receipt of your June 28, 1990 correspondence requesting additional actions/information to finalize approval of amount and form of the reclamation surety. The following responses are submitted for your evaluation:

DOGM Item 1

Attached please find the following original corporate signature pages for attachment to the pending documents currently on file with the Division:

- ✓ - Page 5 of the Self Bonding and Indemnity Agreement by Mr. Gregory C. Wilkins, Executive Vice President and Chief Financial Officer of American Barrick Resources Corporation.
- ✓ - Page 6 of the Self Bonding and Indemnity Agreement by Mr. Gregory C. Wilkins, Executive Vice President and Chief Financial Officer of American Barrick Resources Corporation.
- ✓ - Page 6 of the Reclamation Contract (Form MR-RC, Rev. 5-30-90) by Mr. Gregory C. Wilkins, Executive Vice President and Chief Financial Officer of American Barrick Resources Corporation.
- ✓ - Page 6 of the Reclamation Contract (Form MR-RC, Rev. 5-30-90) by Mr. Frank D. Wicks, Vice-President and General Manager of Barrick Resources (USA), Inc.
Note: This page is resubmitted on the recently revised Form MR-RC).

*Barrick Mercur Gold Mine**P.O. Box 838, Tooele, Utah 84074 Telephone (801) 268-4447 FAX(801) 266-4296*

Mr. Lowell P. Braxton
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DOGM Item 2

The current status of the Gold Standard, Inc. legal action is described in the attached Item 3, pages 38-39 of our recently submitted Form 10K to the U.S. Securities and Exchange Commission.

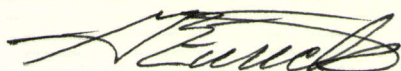
DOGM Item 3

With the exception of the Barrick Mercur Gold Mine, no reclamation obligation/liabilities currently exist within Barrick Resources (USA), Inc. or American Barrick Resources Corporation, its parent. Information on the nature of Barrick's additional operations can be found in the accompanying American Barrick Resources Corporation 1989 Annual Report. Also, it is our understanding that current, detailed reclamation cost estimates for these entities have not been generated, as they are not required as a condition of their operation by any governing regulatory agency.

We trust the information provided will ensure a timely final approval of this issue. Should any additional clarification be sought, please contact me directly at 268-4447, extension 313.

Thank you for your continued cooperation.

Respectfully,



Glenn M. Eurick
Environmental Affairs Coordinator (USA)

GME/cg

Attachments

cc: F. D. Wicks
C. L. Landa
M. S. Staheli
G. Wilkins (Toronto)
D. Bird (Parsons, Behle & Latimer)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

 X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (FEE REQUIRED)
For the Fiscal Year Ended December 31, 1989
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)
For the Transition Period From To

Commission File Number 1-9059

American Barrick Resources Corporation

(Exact name of registrant as specified in its charter)

Province of Ontario
(State or other jurisdiction of
incorporation or organization)

None
(I.R.S. Employer
Identification No.)

24 Hazelton Avenue, Toronto, Ontario, Canada
(Address of principal executive offices)

M5R 2E2
(Zip Code)

Registrant's telephone number, including area code (416) 923-9400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange
on which registered

Common shares

New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

The aggregate market value of the voting stock held by nonaffiliates of the registrant at February 28, 1990, based on the closing sale price of the shares on the New York Stock Exchange was \$1,835,834,122.

The number of shares outstanding of the registrant's common stock, as at February 28, 1990 was 128,388,483.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Annual Report to Shareholders for the year ended December 31, 1989 are incorporated by reference into Part I and Part II.

Portions of the Company's definitive Management Information Circular and Proxy Statement for the 1990 Annual Meeting of Shareholders are incorporated by reference into Part III.

ITEM 3 - LEGAL PROCEEDINGS

The Company is involved in litigation brought by Gold Standard, Inc. ("GSI") relating to the Mercur Mine. The following is a summary of that litigation.

Getty Oil Company (together with its subsidiaries, "Getty") and GSI entered into an Operating Agreement (the "Operating Agreement") in 1973 under which Getty acquired a 75% participating interest in the Mercur Mine. Getty had the option to finance an exploration program until such time as a feasibility study had confirmed the feasibility of the project. After that time, GSI was obliged to pay its pro rata share of expenditures or risk being converted, at the option of Getty, to a 15% net profits interest. GSI paid its pro rata share of the feasibility study but was then unable to, or declined to, pay its share of ongoing expenditures, and ultimately the 25% participating interest of GSI was converted to a 15% net profits interest.

In June 1985, the Company acquired its interest in the Mercur Mine and succeeded to the rights of Getty under the Operating Agreement. In connection with that acquisition, the Company asked its counsel, Parsons, Behle & Latimer ("PB&L") of Salt Lake City, Utah, to review certain assertions made by GSI with respect to the Mercur Mine. The first was an assertion that the 25% participating interest of GSI had been improperly converted to a 15% net profits interest due to an alleged failure to receive the agreed-upon feasibility study; the second was an assertion by GSI that Getty granted GSI an option to reacquire its initial 25% participating interest; and the third was an assertion by GSI of a right of first refusal in the event of a sale of Getty's interest in the Mercur Mine. The Company, after consultation with PB&L, determined that the assertions of GSI appeared to be without merit.

In December 1986, GSI filed an action in the Third Judicial District Court of Tooele County, State of Utah, against the Company, Getty, and unidentified officers and directors of the named defendants. Although some of the claims in the lawsuit are based upon the assertions reviewed by PB&L in 1985, the complaint, as subsequently amended, also contains additional factual assertions and theories of recovery not encompassed in the PB&L review. Some of the additional assertions and theories of recovery, as contained in the Third Amended Complaint, are: that defendants failed to comply with a duty of fair dealing or to cooperate with GSI; that Getty consistently disregarded GSI's interests; that Getty used information and cost projections for decisions and failed to give such information to GSI; that defendants improperly calculated the value of GSI's net profits interest; that Getty tried to coerce GSI to accept less than full performance and to effect a waiver; that Getty failed to comply with its duties as an operator; that Getty expended excessive monies in developing the mine; that Getty falsely represented that it would restore GSI to a participating partner and in reliance GSI did not pursue its legal remedies; that Getty breached a fiduciary duty to GSI and a duty of fair dealing; that Getty put the mine into production when the mine was not feasible; that Getty fraudulently concealed its breaches, including the extent of information that Getty possessed; that Texaco caused Getty to wrongfully sell the mine without giving GSI the right of first refusal; that the Company is liable to render GSI specific performance of the right of first refusal; that Getty and Texaco intentionally interfered with GSI's property rights; that the Company is liable for all of Getty's breaches; that Texaco transferred the mine as a stock sale so the Company could knowingly continue to unfairly calculate GSI's net profit interest; that the Company breached a duty of confidence and a fiduciary duty owed GSI by misusing confidential information; that GSI has title to 25% of the project land; that the defendants have trespassed on GSI's property and converted its ore; that the Company has interfered with GSI's present and future possessory rights; that the defendants and others conspired to interfere with GSI's rights and to destroy GSI as a business; that the Company breached an agreement with GSI to jointly purchase the Mercur Mine (on August 17, 1989, the court dismissed this claim); that the Company interfered with GSI's right of first refusal under the Operating Agreement (on August 17, 1989, the court dismissed this claim); and that the defendants acted intentionally and in bad faith with malicious intent to damage GSI.

GSI also filed a second lawsuit against substantially the same defendants in the same court involving substantially the same claims. The second lawsuit was dismissed without prejudice by GSI as against the Company and Getty pursuant to an Order dated June 28, 1988.

The relief sought by GSI includes, other things, damages or restitution of the Mine or its value plus all gold removed from the Mine; reformation and/or rescission of the Operating Agreement, and an accounting relating to the Mercur Mine. GSI also requests the imposition of a constructive trust upon the revenues of the Mine, upon title to the property and upon other assets of the defendants. GSI is seeking damages for the value of minerals removed plus an amount to be determined for damage to GSI's business, and punitive damages from each defendant. As against the Company the relief sought is as follows: (1) either damages or restitution of (i) the mine or its value (claimed to be \$250,000,000), and (ii) all of the gold removed from the mine (claimed to exceed \$200,000,000) and the imposition of a constructive trust over all proceeds of the Mine; (2) an order reforming the Operating Agreement or for rescission; (3) damages for GSI's lost opportunities, lost profits and other injuries; (4) specific performance of the right of first refusal; (5) quiet title in 25% of the project land and judgment for 25% of the minerals the Company extracted from the property; (6) a constructive trust over all profits from the mine and all properties acquired or developed with those profits; (7) return of the mine and all the gold extracted by the Company to GSI or judgment for the amount of the value of the mine; (8) that the 15% profit be recalculated on the basis of the Company's actual

investment and post-acquisition disbursements with credit for all gold produced regardless of disposition; (9) an accounting; and (10) punitive damages of \$250,000,000.

The litigation had been delayed by procedural matters and matters related to the filing of a bankruptcy petition by Texaco, Inc. Discovery commenced in October, 1987. Extensive discovery has been completed but additional discovery remains to be done. The case has been scheduled for trial commencing April 30, 1990 although that date may be affected by certain procedural matters pending before the court.

On February 16, 1990, the court issued a Memorandum Decision granting defendants' motion for partial summary judgment on all claims which are based on the allegations that GSI had been improperly converted to a 15% net profits interest owner. The decision is subject to appeal. The ruling resolved in the Company's favour the first and third assertions referenced above made by GSI prior to June, 1985. The court has signed an order which, based upon the summary judgment, dismisses two claims from the lawsuit in their entirety and dismisses some seven other claims in part. Additional motions aimed at clarifying the remaining issues in the action are pending.

PB&L has advised the Company that, although discovery has not been completed, uncertainties exist in any litigation and disposition of some of the claims raised in the lawsuits may require a trial by jury, it is of the opinion that, to the extent the remaining claims in the complaint are premised solely on the remaining assertions reviewed by them in 1985 and to the extent that no material adverse facts are developed in discovery, these claims appear to be without merit and the likelihood of an unfavorable outcome to the Company with respect to these claims is relatively remote.

The opinion is based upon discovery to date and a review of the documentation available to and fully reviewed and assimilated by PB&L. To the extent that the remaining claims in the lawsuit are based upon assertions other than the assertions reviewed by PB&L in 1985, or upon information received but not fully reviewed and assimilated to date or other undiscovered evidence, PB&L is unable to render an opinion at this time. Although discovery has not been completed, uncertainties exist in any litigation and disposition of the claims raised in the lawsuit may require a trial by jury, the Company is of the opinion that the remaining claims in the lawsuit are without merit and intends to vigorously defend the action. The Company's opinion, as to remaining claims in the lawsuit based upon assertions other than those reviewed by it in 1985, is based on its preliminary review of certain factual and legal matters. It is not possible to estimate the loss, if any, which might result from these alleged claims, but the award of substantial damages or the grant to GSI of equitable relief, such as the return of all or a portion of the Mercur Mine to GSI, could have a material adverse effect on the Company. Any such loss would be accounted for as adjustments of prior periods results.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.